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From Old Labour to New Labour: A Comment on Rubinstein

Stephen Driver and Luke Martell

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In a critique of our book *New Labour*, David Rubinstein has argued that we exaggerate the degree of difference between Old and New Labour and underplay the similarities. In this article we agree with many of the continuities that Rubinstein outlines. However, we argue that he himself gives plenty of evidence in favour of our thesis that change has been marked in many policy areas. We argue that we give a good account of the wider social factors that he says accounts for such change. In this article we offer a restatement of the view that New Labour offers a 'post-Thatcherite' politics. New Labour breaks both with post-war social democracy and with Thatcherism.

Was 1994, the year Tony Blair became leader of the Labour Party, the start of something really new? David Rubinstein's recent article in *Politics* (Rubinstein, 2000) provides a useful discussion of analyses of New Labour. It focuses on arguments such as those made in our book *New Labour: Politics after Thatcherism* that stress the break between Old Labour and New (Driver and Martell, 1998). Rubinstein suggests that we exaggerate this break, ignoring significant continuities. In-so-far as there has been change, he argues, we have underplayed the extent to which it is a rational response to a changed social context.

Rubinstein is right to highlight the continuities in Labour's political history. Foreign policy under Robin Cook is 'business as usual', despite all the 'ethical' window-dressing. The Labour Party old and new has had to appeal beyond its core of traditional working-class voters – and, yes, it is social change that has stacked the electoral deck against the contemporary Labour Party, as we point out in the book. Themes such as 'community' are old political hat for Labour. Harold Wilson loved his technological revolutions every bit as much as Tony Blair does – and worried more about education than tax-and-spend redistribution. Even the slogan 'New Britain' isn't, well, new. Not many of the many Old Labours – and Old Labour came in all shapes and sizes – really stood for the class war against big business. By and large, Labour governments have seen economic prosperity as the overriding policy goal – certainly ahead of workers' wage demands and even the threat of inflation. No one in their right mind would ever suggest that the Labour Party was a band of revolutionaries contemplating an assault on the forces of capitalism. The Labour Party has always been a reformist social democratic (or democratic socialist) party. Rubinstein is quite right to point to the social democratic aspects of the current Labour government, such as the minimum wage and the interventions of Stephen Byers at the Department of Trade and Industry. Gordon Brown may be remembered as the 'Iron Chancellor' – and Brown is not the first Labour chancellor to aspire to fiscal prudence – but his commitment backed by hard cash to the public services, against Tory tax cuts, is a clear sign that some kind of social democracy remains at the heart of this Labour government. This is not, as we argued in our book, Thatcherism Mark II, as many others have suggested (see Hay, 1999; Hall, 1998). Equally, we do not buy the argument that Blair's 'third way' takes the Labour Party off the established political and ideological maps (Driver and Martell, 2000). New Labour may be new, but it isn't that new!

Rubinstein is also right to point out that the rhetoric of politicians is not always matched by their actions. As Tim Bale argues, the 'forgetters' (and Driver and Martell are guilty of this, Bale accuses – we plead 'not guilty', but take the point) tend 'to use the sacred texts, as opposed to the slightly less saintly actions, of Tony Crosland, as a convenient proxy for not just the public ideology, but also the governmental practice of the entire Labour leadership before 1979' (Bale, 1999, p. 196). So, this implies that where Old Labour 'talked left' but 'acted right', New Labour 'talks right, acts left' – and rather conveniently all Labour governments past and present become much of a muchness.

We do, then, have a problem with the idea that Blair's Labour government is like any other Labour government. There is something new about New Labour. Rubinstein suggests that Attlee was concerned with political freedom and Blair with economic freedom, and that this betrays a common concern with individual liberty. Yet differences between the two freedoms are very significant – the first is about political citizenship and the second the free market – and they yield two different forms of politics, one social democratic and one neoliberal. Rubinstein's summary of the scale of changes in economic and social policy is a big concession to the view that something significant happened to the Labour Party from the mid- 1980s onwards – and as we argue in the book, New Labour was born out of the reform process initiated by Neil Kinnock and John Smith. Rubinstein himself accepts that any lingering critique of capitalism has disappeared. The pragmatic post-war social democratic arguments for a mixed economy have given way, rightly or wrongly, to the celebration of competitive markets and private enterprise. The privatisation of public assets and services has continued under New Labour, not opposed as it was under Old. The Blair government has become the champion of public-sector reform. Labour is business-friendly as never before. The government is committed to maintaining Britain's status as a low-tax economy. Despite new legislation on trade union rights, there has been no return to the pre-Thatcher days of labour law. Rubinstein is, of course, right to point out that Labour governments have attacked trade unions in the past. But in the Blair era, after two decades of Tory reforms and industrial decline, trade unions are a shadow of their former selves – and under John Monks, the TUC has sought out a new role under the banner 'new unionism'. At the 2000 Labour Conference, the union barons gave Tony Blair a bloody nose over pensions – just like the good old days of Labour governments past. But the influence – real and symbolic – of unions, as well as the political left, in the Labour Party has diminished. The government has, to be sure, introduced new workplace regulations such as the Working Time Directive that are anathema to economic libertarians and supported by many trade unionists. And again, we would suggest that this indicates the marks of a social democratic government in a post-Thatcherite period. But by-and-large, Labour now supports the idea of flexible labour markets, with the usual 'not as flexible as the Tories' caveat. The government's reforms of the welfare state reflect this. Building on Conservative pilots, Labour is promoting work not welfare. Benefits entitlements have become subject to participation in work and training programmes and time-limits introduced. There is, as Gordon Brown likes to say, no 'fifth option' of staying at home for those capable of work. To this government, any job is better than a life of dependency on the dole.

But this government is not a facsimile of previous Tory ones. The minimum wage has been introduced, child benefit upgraded, free nursery places funded, and childcare provision secured. These are things we might expect from any Labour administration. Yet the shifts in policy that Rubinstein himself acknowledges are not consistent with his conclusion that 'In essentials the party's policies have not changed' (2000, p. 165) or that Blair's Labour 'is the

direct successor of the Labour Party of the past' (2000, p. 161). Far from rejecting the 'current orthodoxy' that 'New Labour represents a clearly defined break from the Labour Party's past', Rubinstein's own balance sheet seems to support it, with many of his qualifications about continuity accepted.

Finally, Rubinstein's article argues that changes in policy under Blair, such as there are, have been a reaction to profound economic and social changes that have taken place since the 1970s. As such, to blame New Labour for abandoning traditional values is misplaced. Any change has been a rational response to new circumstances. Yet this is consistent with our arguments. It is arguable whether New Labour's understanding of 'new times' is an accurate one or whether its responses are the best or only possible ones. But we agree that the perception of such contextual factors is a big part of the New Labour story, every bit as important as internal party battles and electoral necessity. As we argue in the book, ideas of 'globalisation', the 'information society' and the 'new economy', as well as responses to new working patterns – in particular, the status of women in the labour market – are central to Labour modernisers' arguments for revising the party's economic and social policies. And, rational or not, the fact that shifts from Old to New are in part a response to what are perceived to be changed circumstances in no way diminishes the significance of those shifts.

These ideas and perceptions are not, as Cowell and Larkin (forthcoming) argue, excluded by our encapsulation of New Labour as 'post-Thatcherite'. Thatcherism was in part about the right responding to 'new times' – and it is inevitable that, post-Thatcherism, Blair's (and Kinnock's and Smith's) Labour Party has responded to the Thatcherite agenda on 'new times'. For us, Thatcherism was always more than just four Tory governments in a row. It included a critique of Labour's post-war social democratic agenda and a response to a sustained period of economic decline, stagflation, a ballooning public sector and changing welfare roles. As such, the idea of 'post-Thatcherism' involves a response to such wider factors, too, and not just to the Thatcher governments themselves.

Yes, Thatcherism, just like the 'post-war consensus', was never as seamless as often portrayed. But there was at the heart of Conservatism in the 1980s a fundamental challenge to the values and policy instruments of the left. For more than a decade, the ideas of the right were hegemonic – perhaps more useful a concept here than 'consensus' – just as the ideas of the liberal-left had the upper hand in the post-war period. The reform of the left grew out of the challenge from the right – not only in response to some new social context in which politics is conveniently left out. But it was an engagement, not a battle fought at a distance. And the new 'new left' that emerged in the early 1990s was, in part, shaped by these engagements with the forces of Thatcherism. This is what we mean by 'post-Thatcherism'. This is why Blair's New Labour is not just like any Old Labour government.

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